

**MEMO# 35389**

August 1, 2023

# **Joint Letter to Securities and Exchange Board of India on Foreign Portfolio Investors Beneficial Ownership and Senior Managing Official Requirements**

[35389]

August 01, 2023

TO: ICI Global Members

Asia Regulatory and Policy Committee SUBJECTS: International/Global RE: Joint Letter to Securities and Exchange Board of India on Foreign Portfolio Investors Beneficial Ownership and Senior Managing Official Requirements

On July 26, 2023, ICI Global joined the attached joint letter to the Securities and Exchange Board of India (SEBI)—together with the Asia Securities Industry and Financial Markets Association's Asset Management Group (ASIFMA AMG), the European Fund and Asset Management Association (EFAMA), and the Securities Industry and Financial Markets Association's Asset Management Group (SIFMA AMG)—expressing concerns regarding SEBI's recent directions for Foreign Portfolio Investors (FPIs) in relation to disclosures of the details of their beneficial owner(s) (BO) and senior managing official(s) (SMO).

The updated guidance for FPIs includes lowering the ownership thresholds for identifying and reporting BOs, revising the requirements to report SMOs at the end of the legal ownership chain for funds, and requires FPIs to report any changes within seven working days. The deadline set by SEBI for compliance with the new requirements is September 30, 2023. Non-compliance could lead to potential risks including loss of the FPI license.

The joint letter, while recognizing the importance of transparency, highlights the operational and other challenges of the new requirements and the low risk represented by diversified funds, and requests SEBI to consider additional flexibilities or exemptions for regulated funds and diversified investment vehicles.

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